

amendment and the bill itself is codify the existing language that 320 purports to, or does not purport, but does put in place with regard to the market derived rate, and you, in effect, have your income valued approach with regard to valuing of ag land and you do it not ignoring the market place, which is, I think, vital, because it's the basis on which all land is ultimately sold, and it is the basis on which valuation of every other type of property in the state is determined. So, with that, Mr. Speaker, it's as clear as mud, I'm sure, for many of you who haven't spent the time that we did. There are those of us on the committee that have a glimmer of an idea as to how this works. I think that it again is an approach that addresses all the concerns, although it is one that I'm sure will have its detractors. With that, I offer the committee amendments which, in effect, become LB 320.

SPEAKER BAACK: Thank you, Senator Hall. Next speaker on the committee amendments, Senator Lamb.

SENATOR LAMB: Well, Mr. President and members, I rise to support the committee amendments and also support the bill. But I would like to go back and give a rationale for what has happened. As you will remember, amendment number one on the ballot last November was approved by the voters, which said that the Legislature could base the value of agricultural land on something other than market value. And the proposal has been to base agricultural lands value on the basis of productivity, which I think is reasonable. And you'll note on this document that Senator Hall has passed out, it says market derived rate adjusted for risk and parcelization of farmland markets. And I want to delve into the parcelization of farmland markets. Some people say, well, why should not ag land be based strictly on market value. Why should it not be just strictly on market value. You have a sale out there, and ag land sells for a certain price, but here we are saying it should be something other than that market price. And here's the rationale, in my opinion, has to do primarily with parcelization. Down in the last paragraph, on that first page, you will read, in other words, agricultural land is bought and sold as parcels, or add-on units. So, in most cases, agricultural land that's sold here in this state is not a whole farm or a whole ranch, it's an add-on unit. Then it goes on to say, as an add-on unit, a tract of land may actually sell for a higher value than its earnings would suggest, simply because it is complimentary to a larger farming operation. And that's true, that's true. You have two